
Financial statements of
**Big Brothers - Big Sisters of
Saint John Inc.**

December 31, 2014

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Deloitte LLP
Brunswick House
44 Chipman Hill, 7th Floor
P.O. Box 6549
Saint John NB E2L 4R9
Canada
Tel: (506) 632-1080
Fax: (506) 632-1210
www.deloitte.ca

Review Engagement Report

The Directors,
Big Brothers – Big Sisters of Saint John Inc.

We have reviewed the statement of financial position of Big Brothers – Big Sisters of Saint John Inc. (the “Organization”) as at December 31, 2014 and the statements of fund balances, revenues and expenses – operating fund and cash flows for the year then ended. Our review was made in accordance with Canadian accounting standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
April 24, 2015

Big Brothers - Big Sisters of Saint John Inc.
Statement of revenues and expenses - Operating Fund

year ended December 31, 2014

	Note	2014	2013
		\$	\$
Revenues			
Bowl for Kids		150,478	126,606
Other grants and sponsorships	8	81,593	75,744
United Way of Greater Saint John grant		60,088	59,009
Province of New Brunswick grant		28,260	28,260
Fundraising events		23,208	19,446
Donations		17,091	31,187
Employment grants		9,749	7,094
Sundry income		1,086	15
		371,553	347,361
Expenses			
Salaries		237,391	214,754
Employee benefits		26,818	22,981
Go Girl Program		13,666	11,278
Dues and subscriptions		8,893	7,132
Insurance		8,863	3,783
Office supplies and postage		7,846	9,517
Rent		6,000	6,000
Telephone		5,849	5,452
Bowl for Kids	9	4,677	3,508
Professional fees		4,460	4,430
Travel allowances		4,408	3,644
Programs and other		3,645	2,471
HST		3,197	2,941
Parking		3,154	3,154
Meetings		2,912	6,902
Equipment repair		1,571	-
Advertising and promotion		1,205	-
Depreciation		850	1,215
Fundraising		811	890
Training		680	-
Bank charges and interest		427	289
Miscellaneous		304	-
		347,627	310,341
Excess of revenue over expense		23,926	37,020

The accompanying notes are an integral part of the financial statements.

Big Brothers - Big Sisters of Saint John Inc.

Statement of fund balances

year ended December 31, 2014

	Notes	2014	2013
		\$	\$
<u>Stabilization Fund</u>	6		
Balance, beginning of year		50,000	50,000
Transfer to Operating Fund		(307)	(663)
Interest earned and bank charges, net		307	663
Balance, end of year		50,000	50,000
<u>George Hitchcock Endowment Fund</u>	7		
Balance, beginning of year		31,650	26,934
Donations		5,000	5,000
Financial support provided		(333)	(495)
Interest earned and bank charges, net		1,595	211
Balance, end of year		37,912	31,650
<u>Operating Fund</u>			
Balance, beginning of year		6,594	(31,089)
Transfer from Stabilization Fund		307	663
Excess of revenue over expense		23,926	37,020
Balance, end of year		30,827	6,594

The accompanying notes are an integral part of the financial statements.

Big Brothers - Big Sisters of Saint John Inc.

Statement of financial position

as at December 31, 2014

	Notes	2014	2013
		\$	\$
Assets			
Current assets			
Cash		118,152	101,765
Investments	3	66,824	65,000
Accounts receivable		3,197	2,941
Inventory of supplies		200	200
Prepaid expenses		20	-
		188,393	169,906
Capital assets	4	1,984	2,834
		190,377	172,740
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		7,738	5,298
Deferred revenue	5	63,900	79,198
		71,638	84,496
Fund balances			
Stabilization Fund	6	50,000	50,000
George Hitchcock Endowment Fund	7	37,912	31,650
Operating Fund		30,827	6,594
		118,739	88,244
		190,377	172,740

The accompanying notes are an integral part of the financial statements.

Big Brothers - Big Sisters of Saint John Inc.

Statement of cash flows

year ended December 31, 2014

	Notes	2014	2013
		\$	\$
Net inflow (outflow) of cash related to the following activities:			
Operating			
Excess of revenue over expenses for the year		23,926	37,020
Item not requiring use of cash			
Depreciation		850	1,215
Net change in non-cash operating working capital items			
Accounts receivable		(256)	1,583
Prepaid expenses		(20)	-
Accounts payable and accrued liabilities		2,440	460
Deferred revenue		(15,298)	35,101
		11,642	75,379
Financing			
Donations - George Hitchcock Endowment Fund		5,000	5,000
Investing			
Interest earned and bank charges, net		78	874
Financial support provided		(333)	(495)
		(255)	379
Net cash inflow		16,387	80,758
Cash position, beginning of year		101,765	21,007
Cash position, end of year		118,152	101,765
Additional information	10		

The accompanying notes are an integral part of the financial statements.

Big Brothers - Big Sisters of Saint John Inc.

Notes to the financial statements

year ended December 31, 2014

1. Description of business

Big Brothers - Big Sisters of Saint John Inc. (the "Organization") is a non-profit agency serving Saint John and surrounding communities; offering children from single parent families, friendship and support by fostering, through volunteer participation, relationships which enhance personal growth and development.

All of the assets of the Organization are held in trust by the directors for the objective and purpose for which the Organization was incorporated.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant of which are as follows:

Capital assets

Capital assets having an estimated useful economic life greater than one year are capitalized. Capital assets are stated at cost less accumulated depreciation. Depreciation is provided based on the declining balance method at the rate of 30% per year.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except for investments in listed shares, which are measured at fair value.

Interest earned on short term investments, unrealized gains and losses on listed shares, and realized gains and losses on sale of short term investments are included in the statement of fund balances or statements of revenues and expenses, or fund balances whichever is appropriate.

Transaction costs related to financial instruments measured at fair value subsequent to initial recognition are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes an impairment loss, if any, when there are indicators or impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the period the reversal occurs.

Donated services

Donated services in the form of volunteer efforts have not been recorded in these financial statements.

Big Brothers - Big Sisters of Saint John Inc.

Notes to the financial statements

year ended December 31, 2014

2. Accounting policies (continued)

Revenue recognition

Revenues from donations and other voluntary sources are recognized when received. Grants from funding organizations are recorded in the period to which the funding has been designated. Deferred revenue represents funds received in the current period that are designated for a subsequent period.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires the Organization's management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

3. Investments

Investments consist of units of Royal Mutual Funds Inc. as follows:

	2014	2013
	\$	\$
RBC Canadian Money Market Fund	50,000	50,000
RBC Monthly Income Fund	16,824	15,000
	66,824	65,000

4. Capital assets

	2014			2013
	Cost	Accumulated depreciation	Net book value	Net book value
	\$	\$	\$	\$
Computer hardware	14,445	12,485	1,960	2,800
Equipment	19,807	19,783	24	34
	34,252	32,268	1,984	2,834

5. Deferred revenue

	2014	2013
	\$	\$
Balance, beginning of year	79,198	44,097
Add: amount received during the year	69,550	99,255
Less: amount recognized as revenue	(84,848)	(64,154)
	(15,298)	35,101
Balance, end of year	63,900	79,198

Big Brothers - Big Sisters of Saint John Inc.

Notes to the financial statements

year ended December 31, 2014

6. Stabilization fund

The Board of Directors maintains a Stabilization Fund which will be added to from time to time as the financial position of the Organization permits. At December 31, 2014, the Fund balance was \$50,000 (2013 - \$50,000).

7. George Hitchcock Endowment Fund

During 2008, the George Hitchcock Endowment Fund was established for the funding of summer camps. Terms of the endowment are to use the interest from the original \$10,000 donation and any additional donations for summer camps.

8. Other grants and sponsorships

	2014	2013
	\$	\$
Canadian Women's Foundation - Go Girl Program	81,593	61,299
Career Focus	-	7,500
Bank of Montreal	-	3,000
Saint John Foundation	-	2,000
Canadian Women's Foundation	-	1,645
Jump Start	-	300
	81,593	75,744

9. Bowl for Kids

	2014	2013
	\$	\$
Expenditures		
Lane rental	2,217	1,945
Advertising and promotion	2,460	1,563
	4,677	3,508

10. Statement of cash flows supplementary information

	2014	2013
	\$	\$
Interest received	939	890

Big Brothers - Big Sisters of Saint John Inc.

Notes to the financial statements

year ended December 31, 2014

11. Financial instruments and risk management

The Organization has exposure to credit risk and liquidity risk. The Organization's Board of Directors has overall responsibility for the oversight of these risks and reviews the Organization's policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined below.

Interest rate risk

The interest bearing investments have a limited exposure to interest rate risk due to their short-term maturity.

Credit risk

The credit risk on cash and investments is limited because the counterparty is a chartered bank with high credit-rating assigned by national credit-rating agencies.

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its financial obligations as they become due. The Organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2014, the Organization had cash of \$118,152 (2013 - \$101,765). All of the Organization's financial liabilities are short-term in nature and are subject to normal trade terms.